



State Board of Equalization

News Release

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4th District – Los Angeles

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TAX BOARD ADOPTS REGULATIONS TO TAX FLAVORED MALT BEVERAGES AS DISTILLED SPIRITS

Board of Equalization Vice-Chair Judy Chu today announced the Board approved regulations necessary to implement the taxation of flavored malt beverages as distilled spirits.

Flavored malt beverages, often called “alcopops”, are defined by Federal regulations as malt beverages in which the majority of alcohol is the product of brewing.

The regulations adopted today on a 3-2 vote clarify the definition of distilled spirits, create a rebuttable presumption that non-wine alcoholic beverages, like flavored malt beverages, are distilled spirits, not beer, and create a procedure for rebutting the presumption.

Currently, beer and beer products are taxed at 20 cents per gallon and distilled spirits are taxed at \$3.30 per gallon.

The regulations, outlined [here](#), now go to the Office of Administrative Law for review. Implementation is slated for July 1, 2008.

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The five-member Board of Equalization is a publicly elected tax board. The Board collects nearly \$53 billion annually in taxes and fees supporting state and local government services. The Board hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and plays a significant role in the assessment and administration of property taxes.

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